

BOSE MCKINNEY & EVANS LLP  
135 North Pennsylvania Street, Suite 2700  
Indianapolis, Indiana 46204  
Telephone: (317) 684-5296  
Facsimile: (317) 223-0296  
Jeannette Eisan Hinshaw, Esq. (Indiana Bar 8238-49A)  
Counsel for Lorentson Manufacturing Company Southwest, Inc..

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK  
MANHATTAN DIVISION

IN RE: )  
 )  
 )  
DELPHI CORPORATION, ) Case No. 05-44481  
 )  
 )  
Debtor. )

**DEMAND TO EXERCISE SETOFF**  
**BY LORENTSON MANUFACTURING COMPANY SOUTHWEST, INC.**

Pursuant to the Court's *Final Order Under 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), and 364(e) and Fed. R. Bankr. P. 2002, 4001 and 9014 (I) Authorizing Debtors to Obtain Postpetition Financing, (II) to Utilize Cash Collateral and (III) Granting Adequate Protection to Prepetition Secured Parties*, entered by the Court on October 28, 2005, Docket No. 797 (the "DIP Financing Order"), Lorentson Manufacturing Company Southwest, Inc. (the "Claimant") hereby makes its recoupment/setoff demand (the "Demand"):

1. The Claimant hereby demands to exercise its Setoff Right<sup>1</sup> in the amount of **\$105,650.00**.

2. The Setoff Right demanded hereunder is based on 11 U.S.C. Section 553 of the Bankruptcy Code, and the cases decided thereunder concerning setoff and recoupment, and is based on the following facts:

- On October 8, 2005, the **Claimant owed the sum of \$105,650.00** to the Debtors (the "Debt Owed to Delphi"), for goods received by the Claimant from the Debtors.
- On October 8, 2005, the **Debtors owed the sum of \$425,067.13<sup>2</sup>** to the Claimant (the "Debt Owed to Claimant") for product shipped to the Debtors by the Claimant.
- A copy of the Claimant's setoff demand letter dated November 18, 2005 (the "Setoff Demand Letter"), addressed to counsel for the Debtor, Sina Toussi, the Debtor, and Mr. Everett W. Montgomery, Jr., with evidence of receipt of same by the intended recipients, is attached hereto as Exhibit "A". The exhibits that were attached to the Setoff Demand Letter will be provided upon request to the undersigned at [jhinshaw@boselaw.com](mailto:jhinshaw@boselaw.com).

<sup>1</sup> Any terms not defined in this Demand shall have the meaning set out in the Court's DIP Financing Order. Any use of the word "setoff" or "Setoff", rather than "recoupment" is not intended by the Claimant to be an admission by the Claimant that it does not, in fact, have a recoupment right in these circumstances.

<sup>2</sup> This number is subject to further review, and will be subject to various adjustments as the bankruptcy case proceeds.

Dated: Indianapolis, Indiana  
December 15, 2005

/s/ Jeannette Eisan Hinshaw  
Atty. No. 8238-49-A  
BOSE MCKINNEY & EVANS LLP  
135 N. Pennsylvania Street, Ste. 2700  
Indianapolis, Indiana 46204  
(317) 684-5296 telephone  
(317) 684-0296 fax  
[jhinshaw@boselaw.com](mailto:jhinshaw@boselaw.com)

*[certificate of service follows on next page]*

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been served upon the following parties set out below via e-mail transmission and/or ECF transmission to the addresses set out below, this 15th day of December, 2005:

/s/ Jeannette Eisan Hinshaw

Jeannette Eisan Hinshaw

***counsel for the Debtors***

John Wm. Butler  
[jbutler@skadden.com](mailto:jbutler@skadden.com)

Kayalyn A. Marafioti  
[kmarafio@skadden.com](mailto:kmarafio@skadden.com), [jharring@skadden.com](mailto:jharring@skadden.com)

Thomas J. Matz  
[tmatz@skadden.com](mailto:tmatz@skadden.com)

***counsel for the Official Committee of Unsecured Creditors***

Mark A. Broude, Latham & Watkins  
[mark.broude@lw.com](mailto:mark.broude@lw.com)

***counsel for the “Agent” (JPMorgan Chase Bank, N.A., acting as administrative agent)***

Kenneth S. Ziman  
William T. Russell, Jr.  
[cfox@stblaw.com](mailto:cfox@stblaw.com)  
[kziman@stblaw.com](mailto:kziman@stblaw.com)

David B. Aaronson  
[david.aaronson@dbr.com](mailto:david.aaronson@dbr.com)

Elizabeth Abdelmasieh  
[eabdelmasieh@nmmlaw.com](mailto:eabdelmasieh@nmmlaw.com)

Franklin C. Adams  
[franklin.adams@bbklaw.com](mailto:franklin.adams@bbklaw.com)

Jason R. Adams  
[jadams@torys.com](mailto:jadams@torys.com)

Jennifer L. Adamy  
[bankruptcy@goodwin.com](mailto:bankruptcy@goodwin.com)

Stephen M. Bales  
[sbales@zieglermetzger.com](mailto:sbales@zieglermetzger.com)

William J. Barrett  
[william.barrett@bfkpn.com](mailto:william.barrett@bfkpn.com) [william.barrett@bfkpn.com](mailto:william.barrett@bfkpn.com)

David S. Barritt  
barritt@chapman.com

Donald F. Baty  
dbaty@honigman.com

Douglas P. Baumstein  
dbaumstein@whitecase.com

Ronald Scott Beacher  
rbeacher@pitneyhardin.com

W. Robinson Beard  
jkirk@stites.com

Christopher Robert Belmonte  
cbelmonte@ssbb.com pboswick@ssbb.com

Howard S. Beltzer  
hbeltzer@whitecase.com Stacy\_Knobloch@NY\_Whitecase.com

Leslie Ann Berkoff  
lberkoff@morrithock.com

Jeffrey Bernstein  
jb@carben.com ssolazzo@carben.com

Monica Susan Blacker  
monicablacker@akllp.com

Charles E. Boulbol  
rtrack@msn.com

Wendy D. Brewer  
wendy.brewer@btlaw.com bankruptcyindy@btlaw.com

Timothy W. Brink  
tbrink@lordbissell.com

James L. Bromley  
maofiling@cgsh.com maofiling@cgsh.com

Mark A. Broude  
mark.broude@lw.com

Deborah M. Buell  
maofiling@cgsh.com

Kevin J. Burke  
kburke@cahill.com

John Wm. Butler  
jbutler@skadden.com

Aaron R. Cahn  
cahn@clm.com cahn@clm.com

Judy B. Calton  
jcalton@hongman.com

Scott Cargill  
scargill@lowenstein.com hpetersen@lowenstein.com

D. Christopher Carson  
ccarson@burr.com

Michelle Carter  
mcarter@kslaw.com

Madison L. Cashman  
nashvillebankruptcyfilings@stites.com

Ben T. Caughey  
ben.caughey@icemiller.com

George B. Cauthen  
george.cauthen@nelsonmullins.com

Eric J. Charlton  
echarlton@hiscockbarclay.com

Maria E. Chavez-Ruark  
maria.ruark@dlapiper.com richard.kremen@dlapiper.com

Tracy M. Clark  
clark@steinbergshapiro.com

David D. Cleary  
dcleary@mwe.com

Tiffany Streleow Cobb  
tscobb@vssp.com cdfricke@vssp.com;eplitfin@vssp.com

Susan M. Cook  
smcook@lambertleser.com

David N. Crapo  
dcrapo@gibbonslaw.com

Michael G. Cruse  
mcruse@wnj.com

Vincent D'Agostino  
vdagostino@lowenstein.com

Douglas R. Davis  
ddavis@paulweiss.com

Jeffry A. Davis  
jeffdavis@graycary.com

James J. DeCristofaro  
james.dechristofaro@lovells.com karen.ostad@lovells.com

Robert Dehney  
rdehney@mnat.com  
gsaydah@mnat.com;cmiller@mnat.com;tdriscoll@mnat.com;dabbott@mnat.com;dbutz@mnat.com;jcincilla@mnat.com;wlamotte@mnat.com

Gerard DiConza  
gdiconza@dlawpc.com

Maria J. DiConza  
diconzam@gtlaw.com

Karen Dine  
karen.dine@pillsburylaw.com

Stephen A. Donato  
sdonato@bsk.com kdoner@bsk.com;heddy@bsk.com

J. Ted Donovan  
TDonovan@Finkgold.com TDonovan@Finkgold.com;srshmulevitz@finkgold.com

Robert W. Dremluk  
rdremluk@seyfarth.com  
rlauter@seyfarth.com,etrybantelser@cityofchicago.org,pbaisier@seyfarth.com,shenslovitz@seyfarth.com,lravnikar@seyfarth.com

Robert L. Eisenbach  
reisenbach@cooley.com

Judith Elkin  
judith.elkin@haynesboone.com

Bruce N. Elliott  
elliott@cmplaw.com

Barbara Ellis-Monro  
bellis-monro@sgrlaw.com

Alyssa Englund  
aenglund@orrick.com

Richard L. Epling  
richard.epling@pillsburylaw.com gianni.dimos@pillsburylaw.com

Earle I. Erman  
eerman@ermanteicher.com

Michael S. Etkin  
metkin@lowenstein.com mseymour@lowenstein.com

Stephen Vincent Falanga  
sfalanga@connellfoley.com tpasuit@connellfoley.com;jbarrow@connellfoley.com

Eugene I. Farber  
efarber747@aol.com

Robert Michael Farquhar  
mfarquhar@winstead.com

Bonnie Glantz Fatell  
fatell@blankrome.com recchiuti@blankrome.com

Richard L. Ferrell  
Ferrell@taftlaw.com

Charles J. Filardi  
cfilardi@pepehazard.com

Jonathan D. Forstot  
jforstot@tpw.com mmuller@tpw.com;lcurcio@tpw.com

Edward M. Fox  
efox@klng.com

David H. Freedman  
dfreedman@ermanteicher.com

Scott J. Friedman  
sjfriedman@jonesday.com  
sdignomirello@jonesday.com;dsciabarassi@jonesday.com;ChicagoBRR@jonesday.com

Timothy A. Fusco  
fusco@millercanfield.com

Thomas M. Gaa  
tgaa@bbslaw.com clee@bbslaw.com

David Garland  
dgarland@mcdr-law.com

James M. Garner  
jgarner@shergarner.com jchocheles@shergarner.com

Yann Geron  
nybkfilings@foxrothschild.com ygeron@foxrothschild.com

Scott R. Goldberg  
sgoldber@quarles.com

Scott A. Golden  
sagolden@hhlaw.com khseal@hhlaw.com

Robert C. Goodrich  
nashvillebankruptcyfilings@stites.com

Robert D. Gordon  
rgordon@clarkhill.com

Warren R. Graham  
wrg@dmlegal.com ak@dmlegal.com;cfs@dmlegal.com

Gary E. Green  
ggreen@fagelhaber.com

Jonathan S. Green  
greenj@millercanfield.com

John T. Gregg  
jgregg@btlaw.com

Stephen H. Gross  
sgross@hodgsonruss.com

Stephen B. Grow  
sgrow@wnj.com kfrantz@wnj.com

Peter J. Gurfein  
pgurfein@akingump.com

Jonathan P. Guy  
jpguy@swidlaw.com

Michael Leo Hall  
mhall@burr.com

Timothy C. Hall  
tch@previant.com

Alan D. Halperin  
ahalperin@halperinlaw.net  
cbattaglia@halperinlaw.net;eganc@halperinlaw.net;cmitchell@halperinlaw.net;jdyas@halperinlaw.net

William J. Hanlon  
whanlon@seyfarth.com bosuscourt@seyfarth.com

Kristopher M. Hansen  
khansen@stroock.com insolvency2@stroock.com;docketing@stroock.com

Jill M. Hartley  
jh@previant.com

Brian W. Harvey  
bharvey@goodwinprocter.com bharvey@goodwinprocter.com

William M. Hawkins  
whawkins@loeb.com

Dion W. Hayes  
dhayes@mcguirewoods.com egunn@mcguirewoods.com

William Heuer  
wheuer@morganlewis.com

Jeannette Eisan Hinshaw  
jhinshaw@boselaw.com pdidandeh@boselaw.com

Robert M. Hirsh  
hirsh.robert@arentfox.com

Shannon E. Hoff  
shoff@burr.com

John J. Hunter  
jrhunter@hunterschank.com sharonaldrich@hunterschank.com

Michael G. Insalaco  
minsalaco@zeklaw.com

Hilary Jewett  
hjewett@foley.com

Roger G. Jones  
rjones@bccb.com

Andrew C. Kassner  
andrew.kassner@dbr.com

Tracy L. Klestadt  
tklestadt@klestadt.com tklestadt@gmail.com;jross@klestadt.com

Hanan B. Kolko  
hkolko@msek.com

Alan M. Koschik  
akoschik@brouse.com

Lawrence J. Kotler  
ljkotler@duanemorris.com

Stuart A. Krause  
skrause@zeklaw.com

Duane Kumagai  
dkumagai@rutterhobbs.com

Darryl S. Laddin  
bkrfilings@agg.com

Elena Lazarou  
elazarou@reedsmith.com elazarou@reedsmith.com,cwilliams@reedsmith.com

David S. Lefere  
davidl@bolhousetlaw.com

Harris Donald Leinwand  
hleinwand@aol.com hleinwand@aol.com

David E. Lemke  
david.lemke@wallerlaw.com  
cathy.thomas@wallerlaw.com;chris.cronk@wallerlaw.com;robert.welhoelter@wallerlaw.com;wal  
lerbankruptcy@wallerlaw.com

Joseph H. Lemkin  
jhlemkin@duanemorris.com vmarchello@duanemorris.com

Ira M. Levee  
ilevee@lowenstein.com

Jill Levi  
jlevi@toddlevi.com drosenberg@toddlevi.com

Jeffrey M. Levinson  
jml@ml-legal.com

Kenneth M. Lewis  
klewis@rosenpc.com rpc@rosenpc.com

Kim Martin Lewis  
brandy.mcqueary@dinslaw.com john.persiani@dinslaw.com

Eric Lopez Schnabel  
schnabel@klettrooney.com

A. Peter Lubitz  
plubitz@schiffhardin.com

John S. Mairo  
jsmairo@pbnlaw.com

Jacob A. Manheimer  
jmanheimer@pierceatwood.com mpottle@pierceatwood.com

Kayalyn A. Marafioti  
kmarafio@skadden.com jharring@skadden.com

Dorothy H. Marinis-Riggio  
demarinis@candklaw.com

Ilan Markus  
imarkus@tylercooper.com

Richard Gary Mason  
rgmason@wlrk.com rgmason@wlrk.com;eakleinhaus@wlrk.com

Thomas J. Matz  
tmatz@skadden.com

Daniel P. Mazo  
dpm@curtinheefner.com

Michael K. McCrory  
michael.mccrory@btlaw.com vance.donahue@btlaw.com

Ralph E. McDowell  
rmcdowell@bodmanllp.com

Austin L. McMullen  
amcmulle@bccb.com

Patrick E. Mears  
patrick.mears@btlaw.com

Derek F. Meek  
dmeek@burr.com

Barbara S Mehlsack  
bmehlsack@gkllaw.com

Richard M. Meth  
msteen@pitneyhardin.com rmmnybankruptcy@pitneyhardin.com

Robert N. Michaelson  
rmichaelson@kl.com joyce.smith@klng.com

Kathleen M. Miller  
kmm@skfdelaware.com tlc@skfdelaware.com

Alan K. Mills  
amills@btlaw.com

Joseph Thomas Moldovan  
bankruptcy@morisoncohen.com mdallago@morisoncohen.com

James P. Moloy  
jmoloy@dannpecar.com

Audrey E. Moog  
amoog@hhlaw.com

Brian F. Moore  
bmoore@mccarter.com

Eric T. Moser  
emoser@klng.com kserrao@klng.com

Alisa Mumola  
alisa@contrariancapital.com

Jill L. Murch  
jmurch@foley.com khall@foley.com

James P. Murphy  
murph@berrymoorman.com

Bruce S. Nathan  
bnathan@lowenstein.com clongstreh@lowenstein.com

Lauren Newman  
inewman@fagelhaber.com

Marie L. Nienhuis  
mnienhuis@gklaw.com zraiche@gklaw.com;mroufus@gklaw.com

Gordon Z. Novod  
gnovod@kramerlevin.com lbertko@kramerlevin.com

Kasey C. Nye  
knye@quarles.com

Martin P. Ochs  
martin@oglaw.net

Sean A. Okeefe  
sokeefe@winthropcouchot.com

Ingrid S. Palermo  
ipalermo@hselaw.com

Geoffrey J. Peters  
gpeters@weltman.com

Anne M. Peterson  
apeterson@phillipslytle.com

Lowell Peterson  
lpeterson@msek.com

Ronald R. Peterson  
rpeterson@jenner.com anicoll@jenner.com

Ed Phillips  
ephillips@thurman-phillips.com

Alex Pirogovsky  
apirogovsky@uhlaw.com

Leslie A. Plaskon  
leslieplaskon@paulhastings.com

Jeffrey S. Posta  
jposta@sternslaw.com

Constantine Pourakis  
cp@stevenslee.com

Paul A. Rachmuth  
prachmuth@andersonkill.com bfilings@andersonkill.com

Dennis Jay Raterink  
raterinkd@michigan.gov

Jo Christine Reed  
jcreed@sonnenschein.com rrichards@sonnenschein.com

Steven J. Reisman  
sreisman@cm-p.com athau@cm-p.com;jdecristofaro@cm-p.com;jbarucha@cm-p.com;webmaster@docketware.com;mharwood@cm-p.com;kparker@cm-p.com

Kenneth A. Reynolds  
kar@pryormandelup.com

Geoffrey A. Richards  
grichards@kirkland.com

Marc E. Richards  
mrichards@blankrome.com

Craig Philip Rieders  
crieders@gjb-law.com;gisabelle@gjb-law.com gisabelle@gjb-law.com;bamron@gjb-law.com

Sandra A. Riemer  
sriemer@phillipsnizer.com mfay@phillipsnizer.com

Matthew R. Robbins  
mrr@previant.com

Jean R. Robertson  
jrobertson@mcdonaldhopkins.com

Scott D. Rosen  
srosen@cb-shea.com

Paul M. Rosenblatt  
prosenblatt@kilpatrickstockton.com

Robert B. Rubin  
brubin@burr.com

E. Todd Sable  
tsable@honigman.com

Chester B. Salomon  
cs@stevenslee.com

Diane W. Sanders  
austin.bankruptcy@publicans.com

Thomas P. Sarb  
ecfsarbt@millerjohnson.com

William F. Savino  
wsavino@damonmorey.com

Thomas J. Schank  
tomschank@hunterschank.com bfrasier@hunterschank.com

Michael L. Schein  
mlschein@mintz.com ereyes@mintz.com;skhoos@mintz.com

Charles P. Schulman  
cschulman@sachnoff.com

Bryan I. Schwartz  
bschwartz@llegal.com

Mark S. Scott  
mscott@riemerlaw.com

Jay Selanders  
selanders@danielsandkaplan.com

Mark A. Shaiken  
mshaiken@stinsonmoheck.com  
dcurran@stinsonmoheck.com;mjerde@stinsonmoheck.com;mleahy@stinsonmoheck.com;bpry  
or@stinsonmoheck.com;dcross@stinsonmoheck.com;dclark@stinsonmoheck.com;smecham@  
stinsonmoheck.com;aheppner@stinsonmoheck.com;jhoss@stinsonmoheck.com;atrain;edudley  
@stinsonmohec

Andrea Sheehan  
sheehan@txschoollaw.com  
greiner@txschoollaw.com;ashee1@yahoo.com;lindagreiner59@aol.com

Andrew Howard Sherman  
asherman@sillscummis.com asherman@sillscummis.com

Joseph E. Shickich  
jshickich@riddellwilliams.com

Stephen J. Shimshak  
sshimshak@paulweiss.com sshimshak@paulweiss.com

Wallace A. Showman  
was@showmanlaw.com

Robert J. Sidman  
rjsidman@vssp.com bkbowers@vssp.com;eplitfin@vssp.com;cdfricke@vssp.com

Sam O. Simmerman  
sosimmerman@kwgd.com mhelmick@kwgd.com

Thomas R. Slome  
mail@srsllp.com

Marc P. Solomon  
msolomon@burr.com

Brian D. Spector  
bspector@selawfirm.com kdillon@selawfirm.com

Brent C. Strickland  
bstrickland@wtplaw.com

James M. Sullivan  
jmsullivan@mwe.com

Robert Szwajkos  
rsz@curtinheefner.com

Gordon J. Toering  
gtoering@wnj.com

Sheldon S. Toll  
lawtoll@comcast.net

Laura L. Torrado  
ltorrado@bear.com msussman@bear.com

Raymond J. Urbanik  
rurbanik@munsch.com

Robert Usadi  
rusadi@cahill.com

Shmuel Vasser  
svasser@eapdlaw.com

Joseph J. Vitale  
jvitale@cwsny.com

Michael D. Warner  
bankruptcy@warnerstevens.com

Robert K. Weiler  
rweiler@greenseifter.com lellis@greenseifter.com

Elizabeth Weller  
dallas.bankruptcy@publicans.com

Robert A White  
rwhite@murthalaw.com

W. Joe Wilson  
jwilson@tylercooper.com

Jeffrey C. Wisler  
jcw@cblhlaw.com

Robert D. Wolford  
ecfwolfordr@mjsc.com

Stephen L. Yonaty  
syonaty@hodgsonruss.com

Helen A. Zamboni  
hzamboni@underbergkessler.com

Peter Alan Zisser  
nyc-bkcyecf@hklaw.com